

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

The Petitioners

NOTICE OF MOTION

TAKE NOTICE that an application will be made on behalf of the Petitioners in these proceedings (collectively, the “**Medican Group**” or the “**Applicants**”) before the Honourable Justice C.A. Kent, in Chambers, at the Calgary Courts Centre, 601 - 5th Street SW, in the City of Calgary, Province of Alberta on Thursday the 12th day of August, 2010 at 9:00 o'clock in the forenoon or so soon thereafter as counsel may be heard, for the following relief:

1. Declaring service of notice of this application and the supporting materials to be good and sufficient, and abridging the time therefor, if necessary.
2. An Order, substantially in the form of the Order attached hereto as Schedule “A”:

- (a) approving the financing arrangement between Medican (Red Deer – Michener Hill) Developments Ltd. (“**Michener**”) and T & E Ventures Inc. (“**TEV**”) outlined in the TEV Financing Agreement, as defined in the Affidavit of Tyrone Schneider, sworn August 10, 2010 (the “**Schneider Affidavit**”), with respect to Michener and the Michener Project, as defined in the Schneider Affidavit;
 - (b) authorizing the Medican Group to perform all of its obligations under the TEV Financing Agreement with respect to the Michener Project;
 - (c) granting the TEV Charge, as defined in the Schneider Affidavit, over the Michener Project, and ranking in priority to the DIP Lender’s Charge, the Administration Charge and the Directors’ Charge, as defined in the Initial Order (the “**Initial Order**”) granted in these proceedings on May 26, 2010 (the “**CCAA Charges**”); and
 - (d) authorizing the use of the first advance made under the TEV Financing Agreement to pay out existing creditors of the Michener Project.
3. An Order, substantially in the form of the Order attached hereto as Schedule “B”, approving the sale of commercial property held by R7 Investments Ltd. (“**R7**”) to Cypress College.
4. An Order, substantially in the form of Order attached hereto as Schedule “C”, approving the purchase and sale agreement between Medican (Sylvan Lake) Developments (“**Sylvan Lake**”) and Lamont Land Inc. (“**Lamont**”) outlined in the Lamont Purchase Agreement, as defined in the Schneider Affidavit, with respect to Sylvan Lake and the Sylvan Lake – Dipert Lands, as defined in the Schneider Affidavit.
5. An Order, substantially in the form attached hereto as Schedule “D” for the following relief:
- (a) granting an extension to the Stay Period granted in these proceedings under the provisions of the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36,

as amended ("CCAA") from the current expiry date of August 12, 2010 to September 30, 2010;

- (b) extending the DIP Lending Facility to \$3.5 million, and authorizing an additional draw of \$1.0 million under the existing DIP Lending Facility; and
- (c) declaring that the term "Canadian Imperial Bank of Commerce" used in the Initial Order, includes the entity "CIBC Mortgages Inc."

6. Such further and other relief as counsel may advise and this Honourable Court deems just.

AND FURTHER TAKE NOTICE that the grounds for this application are as follows:

The Michener Project

7. The Michener Project is a Development Project that comprises a three phase condominium development project located in Red Deer, Alberta. The Michener Project was originally financed by Paragon Capital Corporation ("**Paragon**") and 933680 Alberta Ltd ("**933**"). The Medican Group received an offer to refinance the Michener Project from TEV.

8. The proposed financing is necessary to complete the Michener Project, and is consistent with the Medican Group's efforts to work with the Monitor, and its creditors, to finance and complete uncompleted development projects where it is anticipated there is recoverable value for the Medican Group's stakeholders.

9. The terms of the proposed financing is, in the view of the Medican Group and its advisors, fair, reasonable, and necessary for the Medican Group to maximize value for its stakeholders.

10. The Monitor approves the proposed financing and the TEV Charge Order, and supports this application.

11. The beneficiaries of the CCAA Charges all consent to the relief sought under the TEV Charge Order, as do the secured lenders to Michener Project.

The R7 Investments Ltd. Sale

12. The Medican Group received an offer to purchase a residential building located in Medicine Hat held by R7 (the “7th Street Property”) from Cypress College (the “7th Street Offer”). The 7th Street Offer is comparable to the appraised value for the 7th Street Property. The sale will see the mortgage holder paid out in full with equity available to the Medican Group’s stakeholders.

13. The Monitor approves of this sale and supports this application.

The Sylvan Lake – Dipert Lands

14. The Sylvan Lake – Dipert Lands are bare lands located in Sylvan Lake, Alberta. Lamont offered to purchase the Sylvan Lake – Dipert Lands for \$5.2 million. The Lamont Purchase Agreement is comparable to the advised listing price recommended to the Monitor by Cushman Wakefield Ltd.

15. The Monitor approves of this sale and supports this application.

The Stay Extension

16. Since June 11, 2010, the following steps in the restructuring of the Medican Group have occurred:

- (a) the Medican Group obtain an approval and vesting order which allows it to continue to sell condominium units such that funds will be available to the stakeholders of the Medican Group;
- (b) the Medican Group and the Monitor implemented a Claims Process with a Claims Bar Date of July 30, 2010;
- (c) the Medican Group obtained an order to facilitate financing from MCAP to complete the Legends Project in Winnipeg, Manitoba;
- (d) the Medican Group obtained an order to commence and, with the assistance of the Monitor, has commenced, a sales process with respect to Phases 2 & 3 of the Terwillegar Project in Edmonton, Alberta;

- (e) the Medican Group obtained an order to commence and, with the assistance of the Monitor, has commenced, a sales process with respect to Phases 2 & 3 of the Axxess Sylvan Lake Project;
- (f) the Medican Group obtained court approval of financing from (i) CIBC for the completion of Phase 4A of the Sanderson Project in Calgary, Alberta and (ii) Macdonald Canvas Properties Ltd. for the completion of Phases 3 & 4 of the Canvas (Calgary) at Millrise Project in Calgary, Alberta; and
- (g) the Monitor, upon the request of the Company, implemented an examination process so that it can investigate the veracity of certain transactions of the Medican Group.

17. An extension of the Stay Period to September 30, 2010 is necessary to continue the restructuring of the Medican Group and to allow the Medican Group to continue to stabilize its operations, communicate with its stakeholders, prioritize its projects, develop a viable plan to enable the Medican Group to emerge from these proceedings for the benefit of all stakeholders.

18. The Medican Group continues to work closely with the Monitor and all of the Medican Group's stakeholders in all respects and the Monitor supports the proposed relief and stay extension.

19. The Medican Group is working in good faith and with due diligence in these proceedings and believe it is within the best interests of the Medican Group and all stakeholders to continue in these proceedings as outlined above.

Additional Funding under the DIP Facility

20. Additional funding under the existing DIP Lending Facility (as attached to the Initial Affidavit of Wesley Reinheller, sworn May 25, 2010 filed herein these proceedings) is fair and reasonable in the circumstances on the basis that:

- (a) it continues to be required only for essential and anticipated needs of this restructuring;

- (b) it is advanced to a new management team that is working very closely with its advisors and the Monitor; and
- (c) it is, when allocated throughout the portfolio of the Medican Group's property, not burdensome to any particular stakeholder.

21. The Monitor supports the additional draw on the DIP Facility.

22. CIBC has requested clarification that the reference in the Initial Order to "Canadian Imperial Bank of Commerce" includes "CIBC Mortgages Inc.". This is consistent with the intention of the Applicants and the Monitor and neither the Applicants nor the Monitor object to such a clarification.

AND FURTHER TAKE NOTICE that the Applicants will rely upon the Affidavit of Tyrone Schneider, dated August 10, 2010, filed; the Fourth Report of the Monitor, dated August 10, 2010 filed; the pleadings and other materials filed herein; the provisions of the *Companies' Creditors Arrangement Act (Canada)* and the *Alberta Rules of Court*; and such further and other material as counsel may advise and this Honourable Court may permit.

DATED at the City of Calgary, in the Province of Alberta, this 10th day of August, 2010.

FRASER MILNER CASGRAIN LLP,
solicitors for the Applicants.

Per: 

David W. Mann/Rebecca L. Lewis

TO: The Clerk of the Court
AND TO: The Attached Service List

SCHEDULE "A"

Action No. 1001 - 07852

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

the Petitioners

BEFORE THE HONOURABLE
MADAM JUSTICE C. A. KENT
IN CHAMBERS

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)
)
)

At the Courts Centre in the City of Calgary,
in the Province of Alberta, on Thursday, the
12th day of August, 2010

ORDER

(TEV Charge – Michener Project)

UPON the application of the Petitioners in these proceedings (collectively, the “**Medican Group**”); AND UPON having read the Notice of Motion of the Petitioners, dated August 10, 2010, the Affidavit of Tyrone Schneider, dated August 10, 2010 (the “**Schneider Affidavit**”), the Fourth Report of the Monitor, dated August 10, 2010, the Affidavit of Ronica Cameron,

dated _____, 2010 (the “**Service Affidavit**”), and such other material in the pleadings and proceedings as deemed necessary; **AND UPON** hearing counsel for the Medican Group, counsel for TEV Ventures Inc. (“**TEV**”), counsel for the Monitor, and other interested parties; **AND UPON NOTING** that the holders of the DIP Lender’s Charge, the Administration Charge, and the Directors’ Charge all consent to the relief sought hereunder; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Notice of Motion and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted in these proceedings on May 26, 2010 (the “**Initial Order**”).

Approval of the TEV Financing Agreement

3. The financing agreement among TEV and the Medican Group, dated August 4, 2010 and attached as Exhibit “A” to the Schneider Affidavit (the “**TEV Financing Agreement**”) is hereby approved.

4. The Medican Group and the Monitor are hereby authorized and directed to do all things reasonably necessary to implement, and perform all of their respective obligations under, the TEV Financing Agreement.

Approval of the TEV Charge

5. As security for monies advanced by TEV to the Medican Group pursuant to the TEV Financing Agreement, a charge is hereby granted on all of the undertaking, property and assets of Medican (Red Deer – Michener Hill) Developments Ltd. used on, in, or in connection with the development project known as Red Deer Sierras Michener Hill in Red Deer, Alberta (the “**Michener Project**”) in favour of TEV (the “**TEV Charge**”) ranking in priority to the DIP Lender's Charge, the Administration Charge, and the Directors’ Charge.

6. The Monitor and the Medican Group are hereby authorized to distribute the Initial Advance, as that term is defined in the TEV Financing Agreement, as follows:

- (a) firstly, to Paragon Capital Corporation in respect of all amounts owing to it in connection with its financing of the Michener Project;
- (b) secondly, to 933680 Alberta Ltd. in respect of all amounts owing to it in connection with its financing of the Michener Project;
- (c) thirdly, to all creditors for all amounts owed to them in respect of goods and services that such creditors supplied to the Michener Project; and
- (d) fourthly, the sum of \$200,000 to the Monitor to apply in favour of the Charges in such manner as the beneficiaries of the Charges may agree.

7. Upon the distributions described in the foregoing paragraph being made the Monitor shall file a certificate with this Honourable Court confirming that such payments have been made which certificate, when presented to the Registrar of Land Titles in and for the Province of Alberta (the "Registrar") along with a certified copy of this Order, shall be the sole authority for the Registrar to discharge any encumbrances registered by any party receiving a payment pursuant to paragraph 6 hereof against the Michener Project.

Miscellaneous

8. The TEV Financing Agreement and the TEV Charge shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in respect of any of the Medican Group or any assignment in bankruptcy made or deemed to be made in respect of any of the Medican Group; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Medican

Group (a “**Third Party Agreement**”), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) neither the creation of the TEV Financing Agreement, the creation of the TEV Charge, nor the execution, delivery or performance of the TEV Financing Agreement shall create or be deemed to constitute a breach by any of the Medican Group of any Third Party Agreement to which it is a party; and
- (b) the parties to the TEV Financing Agreement shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the TEV Charge or the execution, delivery or performance of the TEV Financing Agreement.

9. Notwithstanding: (i) the pendency of these proceedings and the declaration of insolvency made in these proceedings, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Applicants or any assignment in bankruptcy made or deemed to be made in respect of any of the Applicants, and (iii) the provisions of any federal or provincial statute, the TEV Financing Agreement and the TEV Charge shall constitute legal, valid and binding obligations of the Medican Group enforceable against them in accordance with the terms thereof, and the payments made by the parties pursuant to this Order, the TEV Financing Agreement, or the TEV Charge do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law, and shall not constitute advances under *The Builders' Liens Act* (Alberta) nor be subject to any builder's lien registered at the date of this Order or thereafter.

10. Notwithstanding any other provision of this Order, the rights and remedies of the parties under the TEV Financing Agreement shall be subject to the terms of this Order, the Initial Order, including the stay of proceedings, and all other Orders made in these proceedings.

11. No action or proceeding may be commenced against a party to the TEV Financing Agreement by reason of any such party having entered into the TEV Financing Agreement or having performed the obligations thereunder without leave of this Court having been obtained on seven days' notice to such party, the Medican Group, and the Monitor.

12. The Medican Group, TEV and the Monitor or any party to the TEV Financing Agreement are at liberty to apply for such further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

13. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service effected as aforesaid shall be good and sufficient service.

J.C.Q.B.A.

ENTERED this ____ day of August, 2010

CLERK OF THE COURT

Action No. 1001 - 07852

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS
LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772
ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755
QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS
(SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS
LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY
KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN
(EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE
PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD.,
MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN
(RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN
LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD.,
MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD.,
MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN
ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT
LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD.,
MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT)
DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY)
DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON)
DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD.,
SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE
DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and
WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

ORDER

(TEV CHARGE – MICHENER PROJECT)

FRASER MILNER CASGRAIN LLP

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15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

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File: 526686-1

SCHEDULE "B"

Action No. 1001-07852

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

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the Petitioners

BEFORE THE HONOURABLE)
MADAM JUSTICE C.A. KENT) At the Courts Centre in the City of Calgary, in the
IN CHAMBERS) Province of Alberta, this 12th day of August, 2010
)

APPROVAL AND VESTING ORDER
(R7 Sales Order)

UPON the application of the Petitioners in these proceedings (collectively, the “**Medican Group**”); AND UPON having read the Notice of Motion of the Petitioners, dated August 10, 2010, the Affidavit of Tyrone Schneider dated August 10, 2010 (the “**Schneider Affidavit**”), the Affidavit of Ronica Cameron dated _____ (the “**Service Affidavit**”), the Monitor's

Fourth Report, dated August 10, 2010 and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Medican Group, the Monitor, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Notice of Motion and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order, and the following terms shall have the following meaning:

- (a) "**Beneficiaries of the Charges**" means the beneficiaries of the DIP Lending Charge, the Administration Charge, and the Directors' Charge;
- (b) "**Net Proceeds**" means the proceeds from the sale of the Property, less amounts required to pay all reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium fees and legal fees and disbursements;
- (c) "**Purchase and Sale Agreement**" means the agreement in writing respecting the sale of the Property (as herein defined) from the Medican Group to the Purchaser; and
- (d) "**Purchaser**" means Cypress College.

Approval of Sale and Vesting of the 7th Street Property

3. The sale of the 7th Street Property (as defined in the Schneider Affidavit) (the "**Property**") to the Purchaser in accordance with the terms and conditions of the Purchase and Sale Agreement be and is hereby authorized and approved.

4. The Medican Group and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the sale of the Property and carry out the terms of this Order

5. Upon the Monitor delivering a certificate (the "Monitor's Certificate") certifying that the sale of the Property has closed substantially in accordance with the terms of the Purchase and Sale Agreement and all purchase monies due and owing in respect of such sale have been tendered to the Medican Group then:

- (a) the Property shall be vested in the name of Cypress College free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Medican Group and all persons who claim by, through or under the Medican Group in respect of the Property, other than permitted encumbrances expressly set forth in the Purchase and Sale Agreement;
- (b) the Medican Group and all persons who claim by, through or under the Medican Group shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption of the Property and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser or its nominee;
- (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by the Medican Group, or any person claiming by or through or against the Medican Group and/or any of the Property; and
- (d) the Registrar of Land Titles in the province where the Property is located shall discharge all encumbrances (except Permitted Encumbrances) listed in the Purchase and Sale Agreement in respect of that Property and shall register the Property in the name of Cypress College.

6. The Medican Group is authorized and empowered, in respect of the Property, to execute and deliver: (a) such additional, related and ancillary documents and assurances governing or

giving effect to the sale of the Property, which, in the Medican Group's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the purchase of the Property and/or this Order; and (b) any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

7. Upon the filing of the Monitor's Certificate, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of the Province where the Property is located as may be required to properly convey clear title of the Property to the Purchaser.

8. Until further Order of the Honourable Court, counsel to the Medican Group, Fraser Milner Casgrain LLP, shall hold all Net Proceeds in trust and such Net Proceeds shall stand in the place and stead of the Property transferred pursuant to this Order, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests (the "**Claims**") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the property itself.

9. Notwithstanding paragraph 8 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds be paid to valid and enforceable claims that exist in respect of the Net Proceeds; provided however, that adequate provision has been made for the Beneficiaries of the Charges.

10. Any provision made for the Beneficiaries of the Charges by the Monitor pursuant to paragraph 9 hereof shall be done with the consent of the Beneficiaries of the Charges and shall be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 43 of the Initial Order.

Miscellaneous

11. The transfer of Property made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“BIA”) in respect of any of the Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Petitioners (a “Third Party Agreement”), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith shall create or be deemed to constitute a breach by any of the Petitioners of any Third Party Agreement to which they are a party; and
- (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith.

12. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Petitioners, and (iii) the provisions under the BIA, or any other applicable federal or provincial legislation or common law, the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.

13. The Medican Group, the Monitor, the Purchaser, or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.

14. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

J.C.Q.B.A.

ENTERED this _____ day of
August, 2010

CLERK OF THE COURT

Action No. 1001-07852

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS
LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772
ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755
QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS
(SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS
LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY
KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN
(EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE
PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD.,
MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN
(RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN
LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD.,
MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD.,
MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN
ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT
LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD.,
MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT)
DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY)
DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON)
DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD.,
SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE
DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and
WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

**APPROVAL AND VESTING ORDER
(R7 Sales Order)**

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis
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Facsimile: (403) 268-3100
File: 526686-1

SCHEDULE "C"

Action No. 1001-07852

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

the Petitioners

BEFORE THE HONOURABLE)
MADAM JUSTICE C. A. KENT) At the Courts Centre in the City of Calgary, in the
IN CHAMBERS) Province of Alberta, this 12th day of August, 2010

APPROVAL AND VESTING ORDER
(Sylvan Lake – Dipert Lands)

UPON the application of the Petitioners in these proceedings (collectively, the “**Medican Group**”); AND UPON having read the Notice of Motion of the Petitioners, dated August 10, 2010, the Affidavit of Tyrone Schneider dated August 10, 2010, the Affidavit of Ronica Cameron dated _____, 2010 (the “**Service Affidavit**”), the Monitor’s Fourth

Report, dated August 10, 2010 and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Medican Group, the Monitor, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Notice of Motion and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order, and the following terms shall have the following meaning:

- (a) **“Beneficiaries of the Charges”** means the beneficiaries of the DIP Lending Charge, the Administration Charge, and the Directors’ Charge;
- (b) **“Net Proceeds”** means the proceeds from the sale of the Property, less amounts required to pay all reasonable and ordinary closing costs, including without limitation goods and services and other applicable sales taxes, property taxes, commissions, applicable condominium fees and legal fees and disbursements;
- (c) **“Purchase and Sale Agreement”** means the agreement in writing respecting the sale of the Property (as herein defined) from the Medican Group to the Purchaser; and
- (d) **“Purchaser”** means Lamont Lands Inc.

Approval of Sale and Vesting of the Dipert Lands

3. The sale of the Sylvan Lake – Dipert Lands (as defined in the Schneider Affidavit) (the **“Property”**) to the Purchaser in accordance with the terms and conditions of the Purchase and Sale Agreement be and is hereby authorized and approved.

4. The Medican Group and the Monitor are hereby authorized and directed to execute all deeds, documents, and agreements, and to do all things reasonably necessary to complete the sale of the Property and carry out the terms of this Order.

5. Upon the Monitor delivering a certificate (the "Monitor's Certificate") certifying that the sale of the Property has closed substantially in accordance with the terms of the Purchase and Sale Agreement and all purchase monies due and owing in respect of such sale have been tendered to the Medican Group then:

- (a) the Property shall be vested in the name of Lamont Lands Inc. free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Medican Group and all persons who claim by, through or under the Medican Group in respect of the Property, other than permitted encumbrances expressly set forth in the Purchase and Sale Agreement;
- (b) the Medican Group and all persons who claim by, through or under the Medican Group shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, and equity of redemption of the Property and, to the extent that any such person remains in possession or control of any of the Property, they shall forthwith deliver possession of same to the Purchaser or its nominee;
- (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Property for its own use and benefit without any interference of or by the Medican Group, or any person claiming by or through or against the Medican Group and/or any of the Property; and
- (d) the Registrar of Land Titles in and for the Province of Alberta shall discharge all encumbrances (except Permitted Encumbrances) listed in the Purchase and Sale Agreement in respect of that Property and shall register the Property in the name of Lamont Lands Inc.

6. The Medican Group is authorized and empowered, in respect of the Property, to execute and deliver: (a) such additional, related and ancillary documents and assurances governing or

giving effect to the sale of the Property, which, in the Medican Group's discretion are reasonably necessary or advisable to conclude the transactions contemplated in or in furtherance of the purchase of the Property and/or this Order; and (b) any and all instruments and documents in respect of the Property as may be required by the Registrar of the Land Titles Office of Alberta or deemed necessary by the Medican Group, and the Registrar is hereby directed, notwithstanding section 191(1) of the *Land Titles Act* (Alberta) to effect registration of any such instrument or document so executed by the Medican Group or its solicitors.

7. Upon the filing of the Monitor's Certificate, the Monitor may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry of the Province where the Property is located as may be required to properly convey clear title of the Property to the Purchaser.

8. Until further Order of the Honourable Court, counsel to the Medican Group, Fraser Milner Casgrain LLP, shall hold all Net Proceeds in trust and such Net Proceeds shall stand in the place and stead of the Property transferred pursuant to this Order, and all claims of whatsoever nature or kind, including without limitation, all liens, claims, encumbrances, mortgages, proprietary claims, trust claims, lease claims, royalty claims, and other interests (the "**Claims**") shall attach solely to the Net Proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available when the Claims were attached to the property itself.

9. Notwithstanding paragraph 8 of this Order, the Monitor is authorized, in its sole discretion and as it deems necessary or appropriate, to direct that any or all of the Net Proceeds be paid to valid and enforceable claims that exist in respect of the Net Proceeds; provided however, that adequate provision has been made for the Beneficiaries of the Charges.

10. Any provision made for the Beneficiaries of the Charges by the Monitor pursuant to paragraph 9 hereof shall be done with the consent of the Beneficiaries of the Charges and shall be without prejudice to any subsequent application to allocate Charges pursuant to paragraph 43 of the Initial Order.

Miscellaneous

11. Any conveyance or transfer of Property made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“BIA”) in respect of any of the Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds any of the Petitioners (a “Third Party Agreement”), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith shall create or be deemed to constitute a breach by any of the Petitioners of any Third Party Agreement to which they are a party; and
- (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith.

12. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Petitioners, and (iii) the provisions under the BIA, or any other applicable federal or provincial legislation or common law, the Purchase and Sale Agreement or any transaction contemplated hereby or coordinated therewith shall constitute legal, valid and binding obligations of the Petitioners enforceable against them in accordance with the terms thereof, and neither the Purchase and Sale Agreement nor any transaction contemplated hereby or coordinated therewith will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.

13. The Medican Group, the Monitor, the Purchaser, or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.

14. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

J.C.Q.B.A.

ENTERED this ____ day of
August, 2010

CLERK OF THE COURT

Action No. 1001-07852

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS
LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772
ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755
QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS
(SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS
LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY
KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN
(EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE
PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD.,
MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN
(RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN
LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD.,
MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD.,
MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN
ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT
LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD.,
MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT)
DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY)
DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON)
DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD.,
SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE
DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and
WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

**APPROVAL AND VESTING ORDER
(Sylvan Lake – Dipert Lands)**

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW

Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann/Rebecca L. Lewis

Telephone: (403) 268-7097/(403) 268-6354

Facsimile: (403) 268-3100

File: 526686-1

SCHEDULE "D"

Action No. 1001-07852

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

the Petitioners

BEFORE THE HONOURABLE
MADAM JUSTICE C.A. KENT IN
CHAMBERS

)
)
)
)

AT THE COURTS CENTRE IN THE CITY OF
CALGARY, IN THE PROVINCE OF ALBERTA,
THIS 12TH DAY OF AUGUST, 2010

ORDER

(Stay Extension)

UPON the application of the Petitioners in these proceedings (collectively, the “**Medican Group**”); AND UPON having read the Notice of Motion of the Petitioners, dated August 10, 2010, the Affidavit of Tyrone Schneider dated August 10, 2010 (the “**Schneider Affidavit**”), the Affidavit of Ronica Cameron dated _____, 2010 (the “**Service Affidavit**”), the Fourth

Monitor's Report, dated August 10, 2010 and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Medican Group, the Monitor, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Notice of Motion and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Order granted by Madam Justice K.M. Horner in this Action dated May 26, 2010 ("**Initial Order**").

Extension of Stay

3. The Stay Period, as defined in the Initial Order, is hereby extended up to and including September 30, 2010.

Approval of the DIP Extension and Additional Draw on DIP Lending Facility

4. The DIP lending facility outlined in the Commitment Letter (the "DIP Facility") is hereby extended to an aggregate maximum of \$3,500,000 and the maturity date of the DIP Facility is hereby extended to September 30, 2010.

5. The Medican Group is hereby authorized to draw an additional \$1,000,000 under the DIP Facility.

6. Further borrowings under the DIP Facility shall be on the terms and subject to the conditions set forth in the Commitment Letter.

7. The Medican Group is hereby authorized and empowered to execute and deliver such Definitive Documents as may be reasonably required by the DIP Lender pursuant to the terms thereof.

8. The DIP Lender's Charge shall secure all funds advanced pursuant to the Commitment Letter and as outlined in this Order.

Miscellaneous

9. The reference to the "Canadian Imperial Bank of Commerce" in the Initial Order includes CIBC Mortgages Inc.

10. The Medican Group shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

J.C.Q.B.A.

ENTERED this ____ day of
August, 2010.

CLERK OF THE COURT

Action No. 1001-07852

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED AND THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS
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PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD.,
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LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD.,
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MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN
ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT
LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD.,
MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT)
DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY)
DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON)
DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD.,
SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE
DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and
WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.**

The Petitioners

**ORDER
(Stay Extension)**

FRASER MILNER CASGRAIN LLP

Barristers and Solicitors
15th Floor Bankers Court
850 2 Street SW
Calgary, Alberta T2P 0R8

Solicitors: David W. Mann/Rebeca L. Lewis
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Facsimile: (403) 268-3100
File: 526686-1

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, C. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDCO DEVELOPMENT CORP., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD.

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Action No. 1001-07852

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND *THE JUDICATURE ACT*, R.S.A. 2000, c. J-2, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MEDICAN HOLDINGS LTD., MEDICAN DEVELOPMENTS INC., R7 INVESTMENTS LTD., MEDICAN CONSTRUCTION LTD., MEDICAN CONCRETE INC., 1090772 ALBERTA LTD., 1144233 ALBERTA LTD., 1344241 ALBERTA LTD., 9150-3755 QUEBEC INC., AXCESS (GRANDE PRAIRIE) DEVELOPMENTS LTD., AXCESS (SYLVAN LAKE) DEVELOPMENTS LTD., CANVAS (CALGARY) DEVELOPMENTS LTD., ELEMENTS (GRANDE PRAIRIE) DEVELOPMENTS LTD., HOMES BY KINGSLAND LTD., LAKE COUNTRY (SITARA) DEVELOPMENTS LTD., MEDICAN (EDMONTON TERWILLEGAR) DEVELOPMENTS LTD., MEDICAN (GRANDE PRAIRIE) HOLDINGS LTD., MEDICAN (KELOWNA MOVE) DEVELOPMENTS LTD., MEDICAN (LETHBRIDGE – FAIRMONT PARK) DEVELOPMENTS LTD., MEDICAN (RED DEER – MICHENER HILL) DEVELOPMENTS LTD., MEDICAN (SYLVAN LAKE) DEVELOPMENTS LTD., MEDICAN (WESTBANK) DEVELOPMENT LTD., MEDICAN (WESTBANK) LAND LTD., MEDICAN CONCRETE FORMING LTD., MEDICAN DEVELOPMENTS (MEDICINE HAT SOUTHWEST) INC., MEDICAN ENTERPRISES INC. / LES ENTREPRISES MEDICAN INC., MEDICAN EQUIPMENT LTD., MEDICAN FRAMING LTD., MEDICAN GENERAL CONTRACTORS LTD., MEDICAN GENERAL CONTRACTORS 2010 LTD., RIVERSTONE (MEDICINE HAT) DEVELOPMENTS LTD., SANDERSON OF FISH CREEK (CALGARY) DEVELOPMENTS LTD., SIERRAS OF EAUX CLAIRES (EDMONTON) DEVELOPMENTS LTD., SONATA RIDGE (KELOWNA) DEVELOPMENTS LTD., SYLVAN LAKE MARINA DEVELOPMENTS LTD., THE ESTATES OF VALLEYDALE DEVELOPMENTS LTD., THE LEGEND (WINNIPEG) DEVELOPMENTS LTD., and WATERCREST (SYLVAN LAKE) DEVELOPMENTS LTD.

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NOTICE OF MOTION

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